

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 2749 - SB 2913**

February 9, 2012

**SUMMARY OF BILL:** Requires a judge to order the use of an ignition interlock device (IID) if the judge grants the application for a restricted license following an implied consent violation. Deletes geographic restrictions required for violators of implied consent law who are issued a restricted driver license.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue – \$21,400/General Fund**

**Increase State Expenditures – \$160,000/Interlock Assistance Fund**

**Increase Local Revenue – \$9,000**

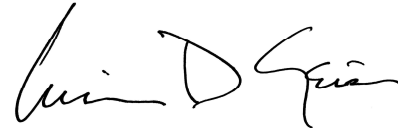
**Assumptions:**

- According to the Department of Safety (DOS), updating policies and procedures for the requirements for issuance of a restricted license will not have a significant fiscal impact.
- Tenn. Code Ann. § 55-10-403 requires the use of an IID for implied consent violations if the person had a conviction of implied consent, underage driving while impaired, the open container law, or reckless driving charged with DUI within the last five years.
- Under current law, every DUI offender is required to pay an ignition interlock fee of \$40. Implied consent violators are not required to pay this fee; therefore, no impact to fee revenue allocated to the Interlock Assistance Fund (IAF).
- Any increase in the number of restricted license applicants due to the deletion of geographic restrictions will be offset by a decrease due to those who decline to comply with the requirement to use an IID. Any net impact will be not significant.
- According to DOS, 788 restricted licenses were issued to implied consent violators. Approximately 157 implied consent violators are required to obtain an IID under current law.
- All implied consent offenders will be required to obtain and use an IID. An additional 631 (788 total – 157 currently required) offenders will be required to use an IID; 20 percent of these offenders will be declared indigent and will be eligible for assistance from the IAF.
- Approximately 126 (631 x 20%) additional indigent offenders.
- The maximum cost of installing and maintaining an IID for 12 months as required by current law is \$1,270.

- The total recurring increase in state expenditures from the IAF to cover all indigent offenders will be approximately \$160,020 ( $\$1,270 \times 126$ ).
- The amount of taxable sales from the sale and lease of IID equipment will be \$641,096 ( $631 \text{ offenders} \times 80\% \text{ non-indigent} \times \$1,270$ ). Approximately 50 percent of these sales will occur in the absence of this bill.
- Pursuant to Tenn. Code Ann. § 67-6-103(a)(3)(A), local governments receive 4.5925 percent of state sales tax as state-shared sales tax revenue.
- The current state sales tax rate is 7.0 percent; the average local option sales tax rate is estimated to be 2.5 percent.
- The net recurring increase in state revenue is estimated to be \$21,408 [ $(\$641,096 \times 50.0\% \times 7.0\%) - (641,096 \times 50.0\% \times 7.0\% \times 4.5925\%)$ ].
- The total recurring increase in local revenue is estimated to be \$9,044 [ $(\$641,096 \times 50\% \times 2.5\%) + (\$641,096 \times 50\% \times 7\% \times 4.5925\%)$ ].
- According to the Department of Safety, any increase in workload for certifying installers and monitoring offenders can be handled within existing resources.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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